

AYER WILLIAM S  
Form 4  
July 27, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
AYER WILLIAM S

2. Issuer Name and Ticker or Trading Symbol  
ALASKA AIR GROUP INC [ALK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/23/2010

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
CHAIRMAN, PRESIDENT & CEO

C/O ALASKA AIR GROUP  
INC, 19300 INTERNATIONAL  
BLVD

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

SEATTLE, WA 98188

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
COMMON STOCK	07/23/2010		M		8,756	A	\$ 31.8
COMMON STOCK	07/23/2010		M		39,000	A	\$ 25.2
COMMON STOCK	07/23/2010		S		47,756	D	\$ 50 0
COMMON STOCK	07/27/2010		S		6,851	D	\$ 52 59,733
COMMON STOCK <sup>(1)</sup>							90,338

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
EMP STOCK OPTION (RT TO BUY)	\$ 31.8	07/23/2010		M	8,756	01/30/2002 <sup>(2)</sup> 01/30/2011	COMMON	8,756
EMP STOCK OPTION (RT TO BUY)	\$ 25.2	07/23/2010		M	39,000	11/12/2002 <sup>(3)</sup> 11/12/2011	COMMON	39,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
AYER WILLIAM S C/O ALASKA AIR GROUP INC 19300 INTERNATIONAL BLVD SEATTLE, WA 98188	X		CHAIRMAN, PRESIDENT & CEO	

## Signatures

KAREN A. GRUEN, ATTORNEY IN FACT FOR WILLIAM S. AYER  
07/27/2010

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; NOT YET VESTED BUT NO LONGER SUBJECT TO FORFEITURE.
- (2) GRANT OF OPTIONS VESTED IN FOUR EQUAL INSTALLMENTS ON 01/30/2002, 01/30/2003, 01/30/2004 AND 01/30/2005.
- (3) GRANT OF OPTIONS VESTED IN FOUR EQUAL INSTALLMENTS ON 11/12/2002, 11/12/2003, 11/12/2004 AND 11/12/2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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